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MARYLAND HEALTH CARE COMMISSION

Thursday, March 20, 2008

Amended Minutes

Chair Moon called the meeting to order at 1:30 p.m.

Commissioners present: Conway, Falcone, Jefferson, Krumm, McLean, Moore, Olsen, Ontaneda-Bernales, Petty, Pollak, Sensabaugh, Todd, and Wilensky.

ITEM 1.

Approval of the Minutes

Commissioner Falcone made a motion to approve the minutes of the February 19, 2008 public meeting conducted by teleconference and the February 21, 2008 public meeting of the Commission, which was seconded by Commissioner Olsen and unanimously approved.

ITEM 2.

Before turning to the updates, Suellen Wideman introduced newly-appointed Assistant Attorney General, Mel Franklin. Mr. Franklin earned his undergraduate degree from the University of South Carolina and his law degree from Duke Law School. Prior to recently joining the Maryland Attorney General's office, Mr. Franklin served as counsel to the Federal Trade Commission for four years and has spent the last two years with a law firm in Washington, D.C. On behalf of the Commissioners, Dr. Moon welcomed Mr. Franklin to the Commission.

Update of Activities

David Sharp, Director, Center for Health Information Technology, reported that staff received six multi-stakeholder responses to the Request for Application (RFA) – A Citizen-Centric Health Information Exchange for Maryland. Responses were received from the University of Maryland Medical System, Erickson Retirement Communities, Montgomery General Hospital, Johns Hopkins Medicine, LifeBridge Health, and Prince Georges County Health Department. He said that staff will present recommendations from the review committee at the April public meeting.

ITEM 3.

ACTION: Certificate of Need – St. Mary’s Hospital, Docket No. 07-18-2225

Joel Riklin, Health Policy Analyst, said that St. Mary’s Hospital applied for a Certificate of Need to construct a 15-bed general medical surgical nursing unit in shell space on the Hospital’s third floor and add two mixed use operation rooms in shell space on the Hospital’s first floor. Mr. Riklin said this would increase the Hospital’s total number of operating rooms from four to six. He said that staff found that St. Mary’s Hospital demonstrated compliance with the applicable standards of the State Health Plan. He also said the St. Mary’s Hospital demonstrated the need for medical/surgical beds and additional rooms. Mr. Riklin noted that the cost effectiveness of the approach chosen by the Hospital met those needs and proved the project to be financially feasibility. This project does not have a negative impact on other existing providers and there were no interested parties in this review. Staff recommended approval of the Certificate of Need proposed by St. Mary’s Hospital. After discussion, Commissioner Krumm made a motion to approve the Staff recommendation, which was seconded by Commissioner Petty and unanimously approved.

ACTION: St. Mary’s Hospital, Docket No. 07-18-2225, is hereby APPROVED.

ACTION: Certificate of Need – Modification - Anne Arundel Medical Center, Docket No. 04-02-2153

Paul Parker, Chief, Certificate of Need, said that Anne Arundel Medical Center applied for a modification to its Certificate of Need. The Hospital’s project was originally approved in 2006. He said the project involved an expansion of the hospital and parking facilities on the Hospital’s campus and some renovations of the existing hospital facilities. Mr. Parker said this modification would increase medical/surgical bed capacity, surgical capacity, and emergency department treatment capacity at the facility. He noted that the modification is necessary due to an estimated cost increase of 16%. Mr. Parker said that Staff found that this is a permissible modification under COMAR 10.24.01 and recommended that the Commission approve the proposed modification with conditions. Following discussion, Commissioner Moore made a motion to approve the Staff recommendation, which was seconded by Commissioner Todd and unanimously approved.

ACTION: Certificate of Need – Modification - Anne Arundel Medical Center, Docket No. 04-02-2153, is hereby APPROVED.

ITEM 5.

LEGISLATIVE UPDATE

Nicole Stallings, Chief, Government Relations and Special Projects, provided an update of the 2008 legislative session to date. She said that HB 603 “Health Care Coverage – Institutions of Higher Education” which would require all institutions of higher education to require full-time students to obtain health insurance coverage as a condition of enrollment, received a favorable report with amendments from the House Health and Government Operations Committee. She said upon passage, HB 603, as amended, would require the MHCC, in consultation with the Maryland Higher Education Commission, to study the extent of health care coverage among students enrolled in institutions of higher education in the State.

As a result of legislation receiving an unfavorable report, Commission staff during the interim will study several proposed mandates including prosthetic parity, in vitro fertilization following a miscarriage and requiring carriers in the CSHBP to provide dependent coverage to age 25.

Ms. Stallings then discussed HB 558 “Home Health – Certificate of Need.” She said the Commission and the Office of Health Care Quality supported, in concept, the repeal of the Certificate of Need requirement for home health agencies and recommended a study to determine how this change in regulatory responsibilities would be accomplished, how possible adverse effects could be mitigated, and determine the fiscal implications.

Ms. Stallings also said that Delegate Shirley Nathan-Pulliam sent a letter requesting Commission staff to develop a workgroup of carriers, Office of Minority Health, Maryland Insurance Administration, and Universities to eliminate disparities in our health care delivery system.

Ms. Stallings concluded by commenting that Commission staff would be presenting these reports to the Commission prior to the 2009 legislative session.

ITEM # 6

BRIEFING: Small Employer Health Benefit Plan Subsidy Program

Dr. Cowdry provided the Commission with an update of the implementation of the Small Employer Health Benefit Plan Premium Subsidy Program, which was established as part of the Working Families & Small Business Coverage Act (SB 6), approved during the Special Session of 2007. SB 6 becomes effective July 1, 2008, but is subject to the current budget negotiations occurring in Annapolis. Dr. Cowdry commented that he expects a lower funding amount than originally anticipated, as well as a delayed start. After providing an overview of health care coverage in the state, he presented the proposed design and eligibility criteria for the Small Employer Subsidy Program. He said small businesses that have 2 to 9 full-time employees, have not offered health insurance to their employees during the previous 12 months, and meet wage and salary requirements established by the Commission, are eligible to receive a subsidy of up to 50% of the premium. He also said that family coverage could be subsidized. Dr. Cowdry said that the Program will be designed so that once enrolled in the Program, the business is likely to continue to be eligible for the subsidy in following years. To receive the premium subsidy, the employer must establish a Section 125 premium conversion plan and must also purchase a wellness benefit as part of the health plan. The subsidy goes both to the employer and to the employee. Enrollment will be capped to stay within the Subsidy Program’s approved annual budget.

Commissioners then sought clarification regarding the eligibility criteria outlined in the legislation, including the provision precluding the small employers that currently offer coverage to their employees from eligibility for the Subsidy Program. Dr. Cowdry clarified that the legislation does not allow these employers to be eligible for the program. A Commissioner expressed serious concerns about that provision. The discussion concluded with Commissioner comments that this initiative was a positive step towards reducing the number of uninsured in the State.

ITEM #7

ADJOURNMENT

There being no further business, the meeting was adjourned at 3:20 p.m., upon motion of Commissioner Conway, which was seconded by Commissioner Ontaneda-Bernales and unanimously approved.